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SERVICE DATE – APRIL 22, 2002

SURFACE TRANSPORTATION BOARD

DECISION

Amendment No. 4

To

Released Rates Decision No. MC-999

RELEASED RATES OF MOTOR COMMON CARRIERS OF HOUSEHOLD GOODS

Decided: April 19, 2002

By decision served December 21, 2001 (2001 Decision), we authorized The Household Goods Carriers' Bureau Committee (the Committee), an organization composed of household goods carriers, to change the terms under which its member motor carriers establish their liability for damage to, or loss of, household goods in their care. Under the new approach, carriers that are members of the Committee may provide household goods shippers with two options concerning the level of cargo liability to be assumed by the carrier, depending upon the rate the shipper wishes to pay for the transportation of its goods.

Under one option, the carrier's cargo liability would be limited to 60 cents per pound, per article, and the shipper would pay only a base rate for the shipment, pursuant to 49 U.S.C. 14706(f). Alternatively, for an additional charge, the shipper could obtain "full value protection" for the shipped goods, meaning that the carrier would be liable either for the replacement value of lost or damaged goods (up to the pre-declared value of the shipment) or for restoring damaged goods to their prior condition (at the carrier's option). To take advantage of the new approach, a carrier must take certain prescribed steps to ensure that the shipper is informed of how the rate and liability process works.

By petition filed April 9, 2001, the Committee seeks clarification of two points: (1) that household goods carriers that are not members of the Committee are also authorized to use the new approach; and (2) that individual Committee members are not precluded from continuing to use similar but not identical "full value" liability provisions that they have established independently.

DISCUSSION AND CONCLUSIONS

The Committee's request will be granted. Our 2001 Decision found that, with certain conditions, the Committee's approach is a reasonable way of establishing liability. Therefore, in response to the Committee's first point, we clarify that carriers that are not Committee members may use the approach that we authorized in the 2001 Decision, subject to the same conditions prescribed for Committee's proposal: (1) revising their bills of lading as described in that

decision, and (2) providing shippers with an up-to-date brochure explaining the cargo liability options they offer.

As to the second part of the Committee's request, our 2001 Decision authorized members of the Committee to collectively change their approach for setting liability provisions that had been approved earlier by the ICC. As the Committee points out, however, under Section 13703(a)(4), Committee members may take independent action and some have done so. Our 2001 Decision was not intended to preclude individual carriers that are Committee members from continuing to use approaches developed independently, which are similar but not identical to the approaches we authorized in our decision. Accordingly, we clarify that the 2001 Decision does not require Committee members to cancel similar individual provisions simply because those provisions may be slightly different from what we addressed in our 2001 Decision, so long as the carriers acting independently comply with the two conditions noted above: (1) revising their bills of lading as described in that decision, and (2) providing shippers with an up-to-date brochure explaining the cargo liability options offered.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The Committee's petition for clarification is granted, as discussed in this decision.
2. This decision is effective May 2, 2002.

By the Board, Chairman Morgan and Vice Chairman Burkes.

Vernon A. Williams
Secretary